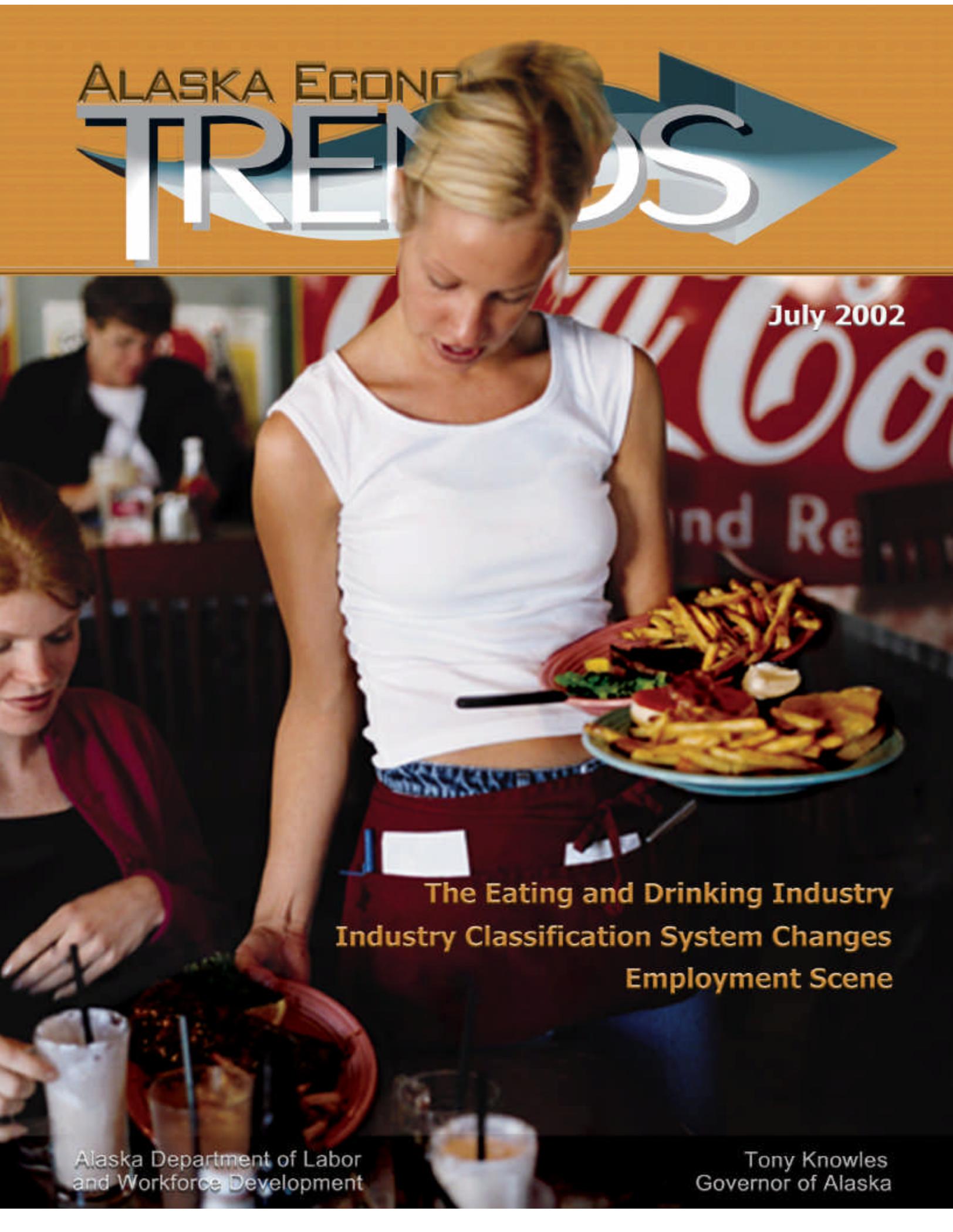


ALASKA ECONOMIC

# TRENDS

July 2002



**The Eating and Drinking Industry  
Industry Classification System Changes  
Employment Scene**

Alaska Department of Labor  
and Workforce Development

Tony Knowles  
Governor of Alaska

# ALASKA ECONOMIC TRENDS

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Ed Flanagan, Commissioner of Labor  
and Workforce Development**

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## **Correction**

The website given for the Bureau of Labor Statistics on page 17 in the June *Trends* article on Cost of Living was incorrect. The BLS websites are:

<http://stats.bls.gov>  
<http://www.bls.gov>

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# The Eating and Drinking Industry

by Neal Fried  
Brigitta Windisch-Cole  
and Lorraine Cordova  
Labor Economists

## Many Alaskans find work at eating and drinking places

“A man hath no better thing under the sun, than to eat, and to drink and to be merry.”  
*Ecclesiastes 8:15*

“The finest landscape in the world is improved by a good inn in the foreground.”  
*Samuel Johnson*

**I**t is not just your imagination that eating places appear to be popping up literally everywhere these days—in gas stations, schools, airports, hotels, stores, along with those ubiquitous coffee shacks, and your actual stand-alone fast food eateries, bars, and sit-down restaurants. The eating and drinking industry is mushrooming across the nation. A third of all adults in the nation have worked in it some time in their lives. According to the National Restaurant Association, the average person eats 4.2 meals away from home every week, a frequency that has some home economists worried that cooking at home is becoming just a hobby, rather than a basic skill.

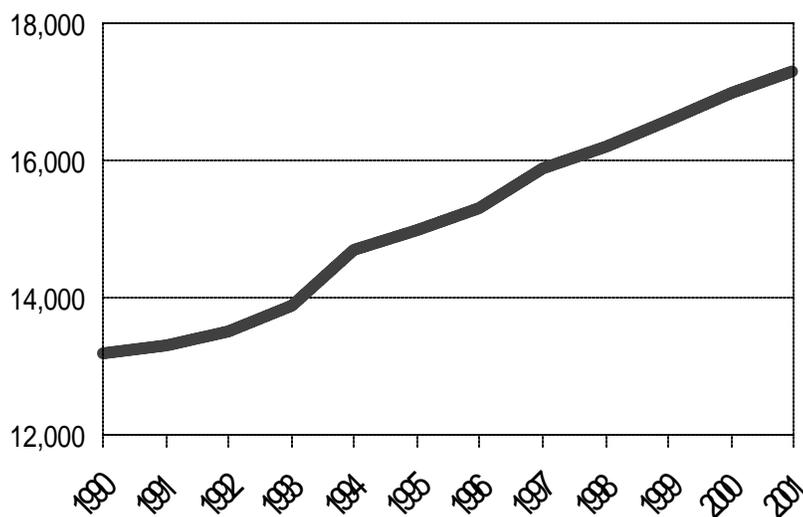
Alaska had 1,811 eating and drinking places in 2000, with sales projected to reach \$982 million in 2001, according to the National Restaurant Association. These numbers grow every year, and competition intensifies. Eating and drinking is one of Alaska's more dynamic and competitive sectors, growing faster than most other industries. The industry's shape and look is constantly in flux, driven by changes in demographics, the economy, technology, fashions, tastes, and the state's visitor industry.

### Recognizing eating and drinking places

An eating and drinking place is defined as any business that prepares food and drink away from

home, that is consumed either at a restaurant, bar, cafeteria, at home, at a grocery store, in sports facilities, in jail, on the go, at work, or in a car. In fact, it is estimated that one-fifth of all meals are eaten in a car. Employment data for eating and drinking places include nearly all of the above-mentioned kinds of places. However, this employment count does miss some players. Many hotels have restaurants and bars incorporated in their business and this employment is most likely captured in the hotel industry, not eating and

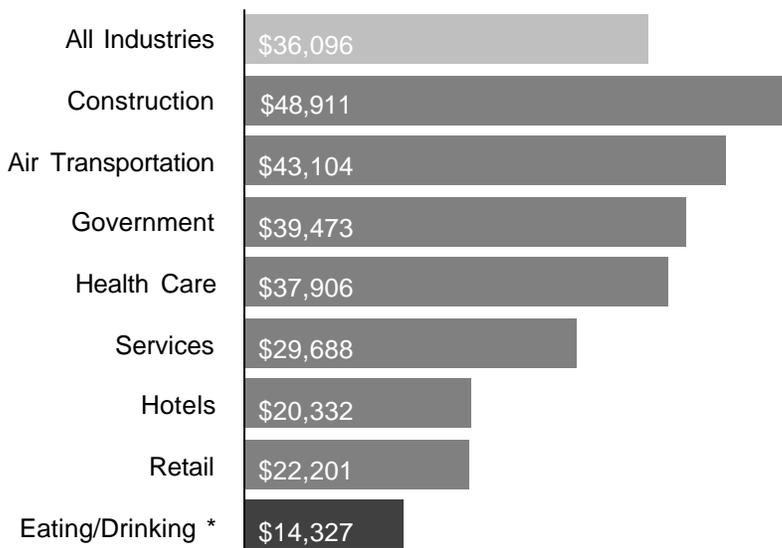
## Restaurants Show Strong Growth In employment



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## 2 Wages in Eating and Drinking Compared to other industries

2001 average annual wage



\* Not including tips

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

drinking. Nationally, estimates project that about 4.4% of all food consumed away from home is eaten in hotel restaurants. That figure may be higher in Alaska because of the size of the visitor industry. Another example of missed eating and drinking places employment is today's supermarket, which often devotes a large slice of the business to ready-to-eat or ready-to-heat meals. Employment numbers are counted in the grocery store category. So, impressive as these eating and drinking employment numbers are, they tend to underestimate employment in the food-away-from-home businesses.

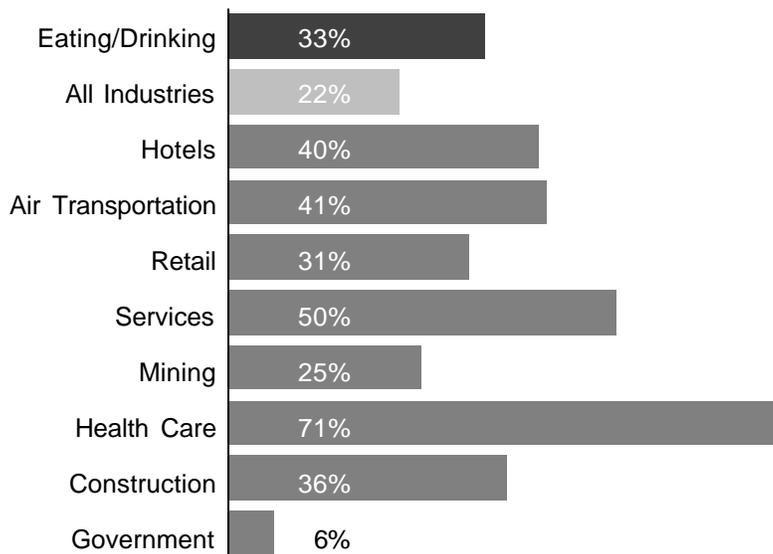
### The industry employs more than 17,300

During the past decade, employment in Alaska's eating and drinking establishments has grown 2.8% per year versus 1.8% for total employment. This industry has grown steadily and without interruption for over a decade. (See Exhibit 1.) It supports 4,200 more jobs today than a decade ago. In 2001, 17,300 jobs in Alaska were directly tied to the eating and drinking industry—more jobs than oil, or construction, the federal government, or a number of other industries. Measured by payroll, the figures tell a different story. Total payroll for eating and drinking places was \$248 million compared to \$736 million for construction in 2001. Lower wages and the pervasiveness of part-time or seasonal employment put the average eating and drinking wage at the bottom of all industries. (See Exhibit 2.)

Employment for eating and drinking establishments grew quickly, faster than overall employment in Alaska, (see Exhibit 3) and in the nation as a whole over the past decade. The industry's share of the Alaska employment pie has expanded over the past two decades. In 1980, eating and drinking establishments generated four percent of all wage and salary employment in Alaska. By 2001, that share had more than doubled to 8.5 percent of all employment, compared to 6 percent nationwide. Nevertheless, the average Alaska consumer spends a smaller portion on food away from home than other Americans.

## 3 Employment Growth Eating and Drinking vs. other industries

Percent employment growth 1990-2001



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## Eating and drinking employment is concentrated on the road system

More than 82 percent of all eating and drinking employment occurs in Anchorage, Fairbanks, the Kenai Peninsula, and the Mat-Su Borough. More than half of all workers are in Anchorage alone. Most of Alaska's population lives in these four urban areas, which are road accessible and on the most traveled visitor routes. Among the rural areas, the heaviest concentration of eating and drinking workforce is at the entrance to Denali National Park. There, the population to industry worker ratio is extreme, with only four residents per eating and drinking employee. (See Exhibit 4.) This underscores the tremendous impact the summer workforce, catering to visitors, has on the Denali Borough. Tourist areas in Southeast employ over nine percent of the state's eating and drinking workforce, but their ratio of population to industry worker is much larger. Most tourists in Southeast are cruise ship passengers, who typically take their meals on board. It is interesting to note that in the two places that can be reached by road, Skagway and Haines, the concentration of eating and drinking worker to population intensifies. Rural areas off the beaten path typically have much smaller eating and drinking industries. The exception is the North Slope Borough, where a relatively large food service workforce supports the oil industry.

## More than a third of food dollars spent away from home

The average Anchorage consumer spent \$2,498 per year on food away from home—which was 17 percent more than the average U.S. consumer, who spent \$2,126. Some of this higher expense for Anchorage can be explained by higher costs, higher income and other factors. Expenditures in eating and drinking establishments generate business activity in other industries. According to the National Restaurant Association, each dollar spent in Alaska's eating and drinking industry generates another \$.62 in sales elsewhere. But

## Restaurant Employment And population by area—2001 **4**

	Restaurant Employment 2001	Population	Ratio of Population to Restaurant Employment
Statewide	17,301	626,932	36
Aleutians East Borough	2	2,697	1,349
Aleutians West Census Area	51	5,465	107
Anchorage, Municipality	9,820	260,283	27
Bethel Census Area	26	16,006	616
Bristol Bay Borough	15	1,258	84
Denali Borough	479	1,893	4
Dillingham Census Area	26	4,922	189
Fairbanks North Star Borough	2,212	82,840	37
Haines Borough	62	2,392	39
Juneau Borough	708	30,711	43
Kenai Peninsula Borough	1,216	49,691	41
Ketchikan-Gateway Borough	337	14,070	42
Lake and Peninsula Borough	n/a	1,823	n/a
Northwest Arctic Borough	36	7,208	200
Kodiak Island Borough	322	13,913	43
Matanuska-Susitna Borough	1,009	59,322	59
Nome Census Borough	110	9,196	84
North Slope Borough	271	7,385	27
Prince of Wales Census Area	91	6,146	68
Sitka Borough	192	8,835	46
Skagway-Hoonah-Angoon	92	3,436	37
Southeast Fairbanks Area	90	6,174	69
Valdez-Cordova Area	175	10,195	58
Wade Hampton Census Area	n/a	7,208	n/a
Wrangell-Petersburg CA	95	6,684	70
Yakutat Borough	19	808	43
Yukon Koyukuk Census Area	14	6,551	468

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 5 Restaurant Sales by State

## Projected 2001

	Sales	Per Capita Sales
Alabama	\$3,785,512,000	\$848
<b>Alaska</b>	<b>981,836,000</b>	<b>1,546</b>
Arizona	5,803,522,000	1,093
Arkansas	2,108,463,000	783
California	38,791,181,000	1,124
Colorado	5,532,611,000	1,252
Connecticut	3,556,800,000	1,038
Delaware	1,028,488,000	1,292
Florida	19,977,170,000	1,218
Georgia	9,372,042,000	1,118
Hawaii	2,729,595,000	2,229
Idaho	1,183,084,000	896
Illinois	13,442,251,000	1,077
Indiana	6,507,865,000	1,064
Iowa	2,743,588,000	939
Kansas	2,589,664,000	961
Kentucky	3,876,847,000	954
Louisiana	3,976,505,000	891
Maine	1,278,021,000	993
Maryland	5,949,301,000	1,107
Massachusetts	7,887,413,000	1,236
Michigan	10,386,132,000	1,040
Minnesota	5,207,177,000	1,047
Mississippi	1,866,886,000	653
Missouri	5,909,281,000	1,050
Montana	1,053,856,000	1,165
Nebraska	1,768,602,000	1,032
Nevada	2,635,773,000	1,252
New Hampshire	1,374,268,000	1,091
New Jersey	8,435,056,000	994
New Mexico	1,953,459,000	1,068
New York	18,624,395,000	980
North Carolina	8,565,389,000	1,046
North Dakota	618,254,000	974
Ohio	12,108,456,000	1,065
Oklahoma	3,276,514,000	947
Oregon	3,961,123,000	1,141
Pennsylvania	11,757,078,000	957
Rhode Island	1,112,729,000	1,051
South Carolina	4,350,145,000	1,071
South Dakota	737,355,000	975
Tennessee	6,033,354,000	1,051
Texas	22,516,648,000	1,056
Utah	2,035,897,000	897
Vermont	672,066,000	1,096
Virginia	7,163,242,000	997
Washington	7,223,415,000	1,206
West Virginia	1,357,741,000	753
Wisconsin	5,504,860,000	1,019
Wyoming	577,941,000	1,169
<b>U.S.</b>	<b>303,326,361,000</b>	<b>1,065</b>

among all U.S. states, Alaska's multiplier not surprisingly ranked weakest. Very little of the food and drink consumed by patrons is produced in the state. Other economic leakages also exist.

The 2000 expenditure survey conducted by the U.S. Department of Labor established that Anchorage residents spent more than a third (36 percent) of their food budget on food consumed away from home, while the average American consumer spent 42 percent of their food dollar away from home—a significantly higher figure. The difference is puzzling, given Anchorage's demographics that favor dining out. Per capita expenditures on dining out paint an altogether different picture. Per capita spending in eating and drinking places was \$1,546 in Alaska versus \$1,065 nationally—a full 45 percent above the national average, according to the National Restaurant Association's 2001 figures. In proportion of food dollars spent on meals eaten out, Alaska is below the national norm, suggesting room for more growth. The per capita expenditures, on the other hand, mean Alaska's eating and drinking industry benefits from the patronage of non-Alaskans.

### Visitors are big patrons of eating and drinking

Visitors are important patrons of the eating-away-from-home industry, and the visitor industry in Alaska has grown much faster than most other industries. According to a 1999 visitor expenditure study, visitors spent \$63 million for eating and drinking and generated 4,120 eating and drinking jobs in Alaska in 1998. This represents nearly a third of all of the jobs in the industry. Only hotels and lodging generated more jobs. The Denali Borough, where the visitor industry reigns king, provides a special example of the influence visitors have on the eating and drinking sector. In 2001, there were 36 Alaskans for each eating and drinking job in the state, and only four residents for each such job in the Denali Borough. (See Exhibit 4.) Visitors, of course, are not counted in resident population figures, and during the summer months they far outnumber the resident population. Visitors spend most of their food dollar in local eating establishments, boosting the jobs-to-residents ratio way above the statewide average. Visitor impact on

Source: National Restaurant Association

this industry also probably explains why Alaska ranks number two among the states in per capita eating and drinking sales, bested only by Hawaii. (See Exhibit 5.)

The visitor share of the eating and drinking industry also explains most of its seasonal nature. In 2001, the low point in this industry's employment was January at 15,200 compared to its peak in August at 19,800. (See Exhibit 6.)

### Restaurant food sales vary across state

Alaska's eating and drinking industry grossed over \$730 million in 1997. (See Exhibit 7.) On a statewide basis, full service restaurants took in the largest share of revenues, followed by fast food and food service companies. Bar sales were 11 percent of the statewide eating and drinking revenues in 1997. (See Exhibit 8.) Anchorage claimed well over half of all restaurant and bar sales in the state, a disproportionately large share. Fairbanks, the Kenai Peninsula, Juneau, and the Mat-Su Borough fell in line in descending order. In 1997, 41.7% of Alaska's population lived in Anchorage but it booked 56 percent of Alaska's restaurant/bar industry sales. As Alaska's commercial center, Anchorage entertains business and in-state travelers, tourists, commuters, and its own growing population. Anchorage's relative high income compared to the rest of the state also helps to support the large number and variety of dining places.

### Anchorage's restaurants tend to be large

Anchorage, the culinary hot spot of the state, had nearly 600 eating and drinking places in 2001. According to municipal records, about a third of Anchorage restaurants are small with seating up to 25; nearly 17 percent of the restaurants can seat between 26 and 50 patrons; but over half can seat more than 50 guests. (See Exhibit 9.) Many of the small places sell take-out fast food such as pizzas, hamburgers, sandwiches, Asian, and Mexican food specialties. Cafés, delis, and snack bars in hotels, meeting places, and grocery and convenience stores are sub-groups of the small eating establishments. The medium and large

sized establishments sell similar food items but many are more specialized and offer more variety on their menus.

### Asian food leads Anchorage's specialty menu

Among the specialty eating establishments, Asian restaurants, pizza, and hamburger places claim the top spots. (See Exhibit 10.) Many other specialty places present choices. Steakhouse and seafood restaurants are classified in the all variety section, which forms the largest portion of Anchorage's restaurant mix. Among Asian restaurants the Chinese kitchen dominates, and Mexican restaurants are in the runner-up position in the foreign food specialty group. (This assumes that pizza is an all-American food.) In continental specialties, restaurants featuring Italian cuisine (excluding pizzerias) are in the lead spot.

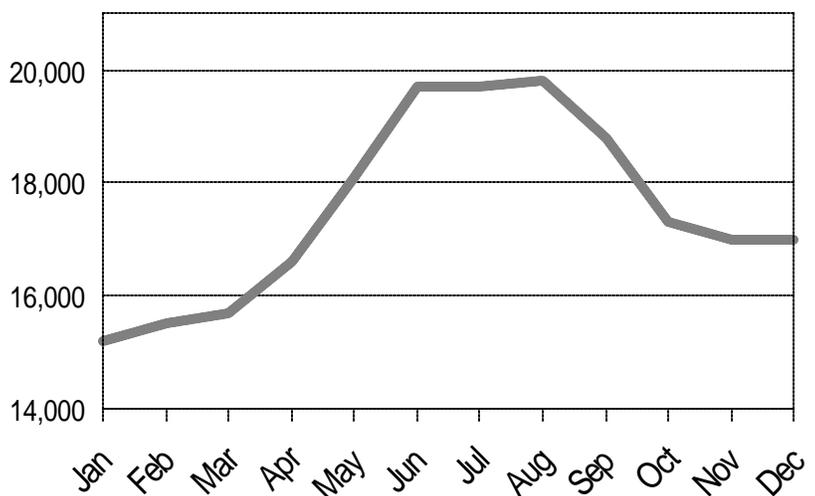
### In restaurants, services personnel dominate the employment mix

Eating places have distinct occupational patterns by type. In catering establishments or camp kitchens, for example, food preparation workers

## Employment Swings Seasonally In the eating and drinking business

# 6

Employment 2001



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

form the largest portion of the staff. In Alaska, they are the largest occupation in the eating and drinking industry because of full food service support to industries with remote work site locations such as the North Slope and the Northwest Arctic Borough. Cafeterias, fast food, take-out places, and even delis tend to have more kitchen staff, but restaurants employ mainly services personnel.

Data compiled from a sample of 28 full service restaurants in the state show waiters and waitresses claiming the largest occupational slice. (See Exhibit 11.) In combination with other service personnel, nearly 52 percent of all staff had direct contact with the customer. Basic kitchen functions were carried out by 34 percent of the employees, and support functions, including management, make up the remaining 14 percent of all restaurant staff.

### Alaska's eating and drinking workforce is large and dynamic

In 2001, the eating and drinking industry employed more than 49,600 individual workers, which compares with an average annual job count of 17,300. This indicates considerable turnover in the industry. Seasonality, lower wages, and part-time employment help drive turnover. In 2000, over 30,650 new hires were recorded for the industry. A new hire is a worker who did not work for the same employer in the previous four quarters. According to national statistics, 38 percent of all eating and drinking industry workers are part-time employees, double the overall average, and they work typically 25.5 hours per week. The industry is attractive to workers seeking a flexible schedule, income during slack times such as for students, or to supplement existing employment in other industries. Many employees in Alaska work only the summer season, which implies that students from other places and transient workers form a large group within the seasonal workforce. In 2000, nearly 6,400 or 23 percent of Alaska's eating and drinking workforce were non-resident workers, considerably above the all-industry average of 18 percent.

### Workforce is young and female

According to a 1999 workforce age analysis, the typical eating and drinking industry worker is only 29.2 years old, making it the youngest major industry workforce in the state. The average age of an Alaska worker was 37.3 years. Women workers predominate in the industry, which has 130 women workers for every 100 men. Four out of every five wait-staff are females. But some

## 7 Eating and Drinking Sales By area—1997

	Restaurant Sales
Statewide	\$730,221,000
Aleutians West Census Area	n/a
Aleutians East Borough	n/a
Anchorage, Municipality	408,202,000
Bethel Census Area	1,115,000
Bristol Bay Borough	1,545,000
Denali Borough	2,659,000
Dillingham Census Area	n/a
Fairbanks North Star Borough	79,155,000
Haines Borough	2,935,000
Juneau Borough	40,315,000
Kenai Peninsula Borough	43,544,000
Ketchikan-Gateway Borough	15,485,000
Lake and Peninsula Borough	n/a
Northwest Arctic Borough	8,551,000
Kodiak Island Borough	10,773,000
Matanuska-Susitna Borough	37,854,000
Nome Census Borough	4,535,000
North Slope Borough	26,610,000
Prince of Wales-Outer Ketchikan CA	4,611,000
Sitka Borough	10,273,000
Skagway-Hoonah-Angoon CA	3,163,000
Southeast Fairbanks Census Area	3,623,000
Valdez-Cordova Census Area	9,897,000
Wade Hampton Census Area	n/a
Wrangell-Petersburg Census Area	n/a
Yakutat Borough	n/a
Yukon-Koyukuk Census Area	2,931,000

Source: U.S. Census Bureau, 1997 Economic Census

occupations are male dominated; the male/female ratio for cooks, for example, is 140 to 100.

### Wages tend to be low

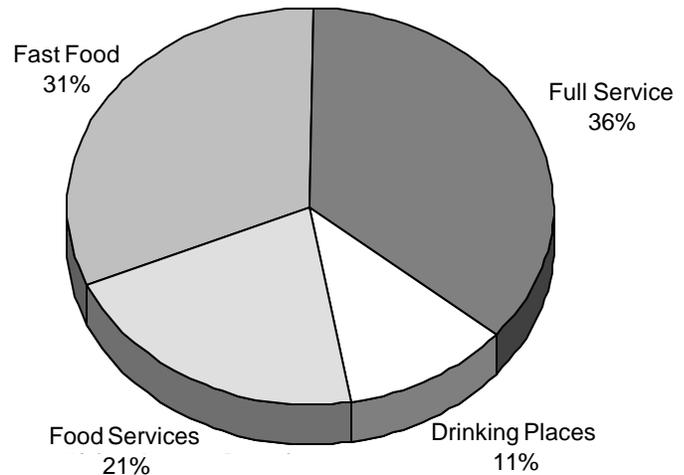
In general, eating and drinking jobs do not require previous training, which in part explains the relatively low hourly earnings. (See Exhibit 12.) The higher paying jobs in the industry usually require work experience and/or specialty training. Chefs/head cooks, food service managers, other food preparation supervisors, and bookkeepers belong to this group. In all, Alaska's hourly wages in 2000 compare favorably to the national averages. In some cases the differential is quite significant. The hourly pay rate for cooks in institutions or cafeterias in Alaska, for example, exceeded the national average by 62 percent. Fast food cooks and food preparation workers also earn substantially more per hour than their colleagues in the rest of the nation. Their differentials were 50 percent and 46 percent higher than the national average. Only a few exceptions countered the higher Alaska pay rule. Hourly pay rates for food service managers and drivers were a bit lower in the state than in the nation.

Tip earning personnel, such as waiters, waitresses and bartenders, gross more per hour than their posted wage rates. Many restaurant and bar patrons add about fifteen percent for tips to their food/bar bill for good service. Theoretically, tips are included in pay rates, but often only those noted on credit card sales are included. Cash tips may not be considered in wage rate surveys, simply because they bypass the employer's business records.

### Geographic earning differentials exist within the state

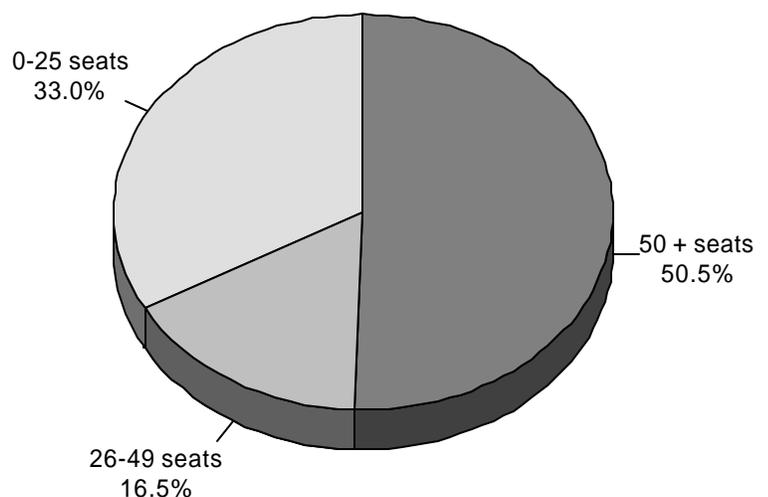
In some ways, the concentration of food service companies explains the vast disparities in earnings in different Alaska locations. In 2001, the highest average quarterly earnings per industry worker occurred on the North Slope, where the food service employees support the oil industry workforce on a year round basis. Overtime plays

## Where the \$730M is Spent In the state's eating/drinking places **8**



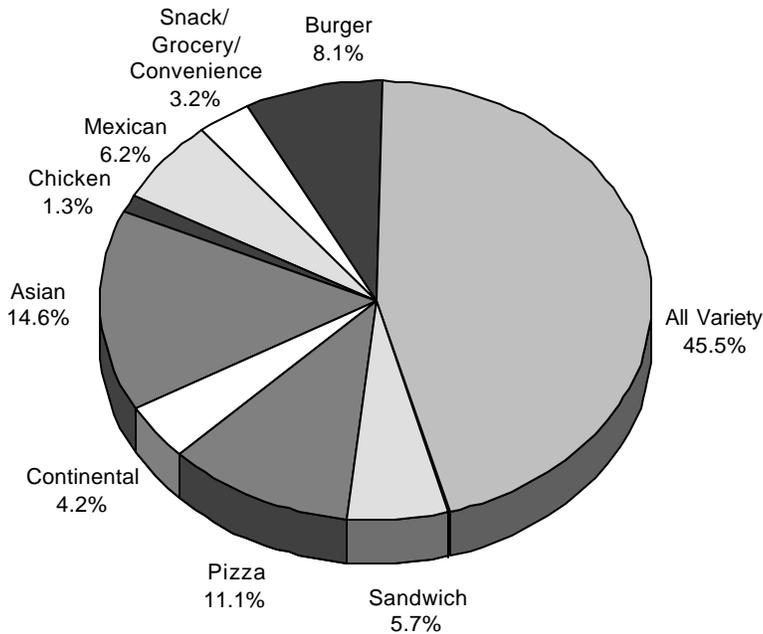
Source: U.S. Census Bureau, 1997 Economic Census

## Large Restaurants Dominate In Anchorage **9**



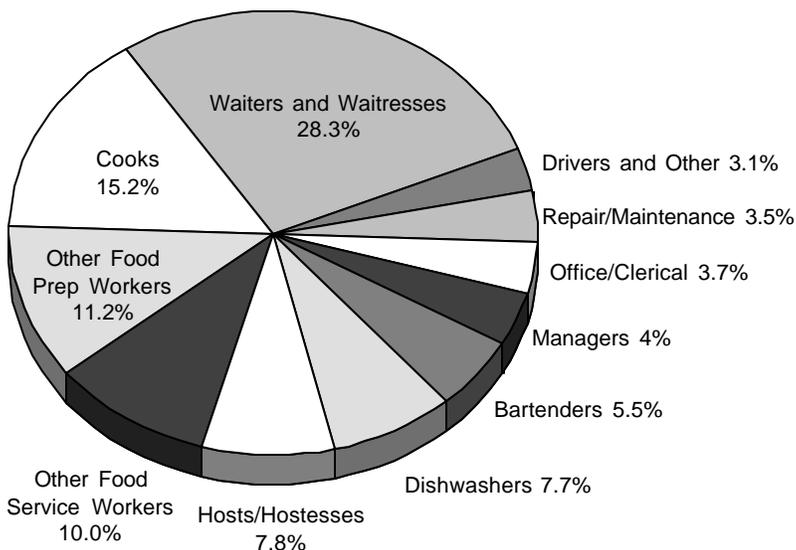
Source: Municipality of Anchorage, Food Safety and Sanitation Program

# 10 Anchorage Specialty Menus Offer variety



Source: Municipality of Anchorage, Food Safety and Sanitation Program

# 11 Employee Occupation Mix At 28 Alaska full service restaurants



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

a big role in these wages. Food service workers typically are on shift rotation just like the oil industry workforce. The Northwest Arctic Borough's eating and drinking wages were the second highest because of the Red Dog Mine. Its remote work site location and year-round operation explain these higher wages. The Denali Borough's third place is harder to explain. Here, most money is earned during the second and third quarters of the year. Above average hourly pay and considerable overtime most likely play a role.

## In some ways Alaska's eating and drinking industry is unique

Among the largest employers in Alaska's eating and drinking industry are food service companies and caterers. (See Exhibit 13.) Remote camp support, institutional kitchens, and resorts are their marketing niche. Companies such as Nana/Marriott, Doyon/Universal Ogden, Aramark Leisure Services, and Skychefs contract with oil, metal mining, resort, and airline industries. Currently, both Aramark and Nana/Marriott also have cafeteria contracts with the University of Alaska in Anchorage and Fairbanks. Several chain restaurants, managed by specific franchise holders in the state, also made the state's list of the largest eating and drinking employers. However, most eating and drinking industry employees work for small employers. (See Exhibit 14.)

## The future of eating and drinking

Continued growth in the eating and drinking industry appears certain—particularly in Alaska's urban communities. A recent ten-year industry forecast predicted that the eating and drinking places industry will grow faster than the overall economy. Many factors will influence the rate and shape of this growth. The state of the economy, growth in consumer income and spending power, population growth, demographics, trends in the visitor industry, and consumer preferences will all be important determinants. The long-term outlook for Alaska's visitor industry remains a big positive—not just in urban Alaska but also in the more rural parts of the state. In ten years, the eating and drinking landscape in Alaska will offer residents even more entrée choices. *Bon appétit.*

# Wage Rates for Eating and Drinking Occupations **2000** **12**

	Alaska Average Hourly Wage *	National Average Hourly Wage *
<b>Food Preparation</b>		
Combined Food Preparation and Serving Workers, Including Fast Food	\$7.42	\$6.84
Cooks, Restaurant	11.12	9.68
Food Preparation Workers	11.65	7.78
Food Preparation and Serving Related Workers, All Other	13.28	n/a
Cooks, Fast Food	9.87	6.78
Cooks, Short Order	9.83	7.92
First-Line Supervisors/Managers of Food Preparation and Serving Workers	14.00	11.83
Cooks, Institution and Cafeteria	14.10	8.68
Chefs and Head Cooks	14.68	13.73
Bakers	10.54	10.12
<b>Food Service</b>		
Waiters and Waitresses	7.39	7.09
Dishwashers	8.50	7.00
Bartenders	9.38	7.77
Dining Room and Cafeteria Attendants and Bartender Helpers	7.41	6.95
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	8.81	7.23
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	7.79	7.32
Food Servers, Nonrestaurant	8.47	7.77
<b>Laborers</b>		
Driver/Sales Workers	10.64	11.08
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	11.40	9.17
<b>Office/Clerical</b>		
Food Service Managers	16.10	16.51
Bookkeeping, Accounting, and Auditing Clerks	14.75	12.96

\* Based on Occupational Employment Statistics Survey data - 2000

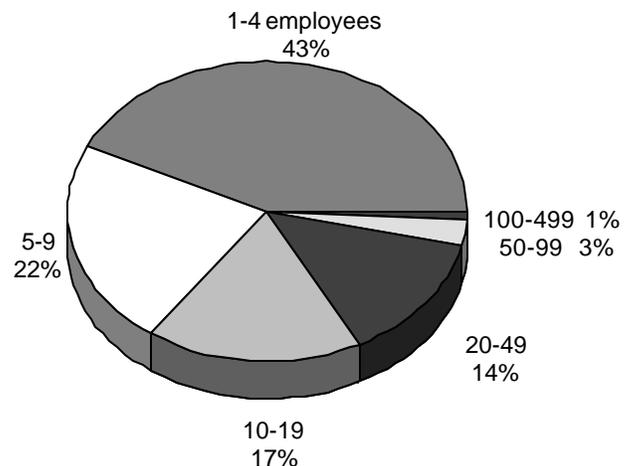
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## **13** Eight of the Top 100 Private sector employers Are in eating and drinking

	Employment 2000	Primary function
NANA/Marriott, Joint Venture	1,093	catering
Aramark Leisure Services	520	catering
Doyon/Universal Ogden, JV	519	catering
Pizza Hut	467	restaurants
Burger King	465	restaurants
Denali Food/Taco Bell	381	restaurants
Skychefs	277	catering
McDonalds	258	restaurants

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## Most Employees Work for small employers **14** Eating and drinking industry employees—1999



Source: U.S. Department of Commerce, County Business Patterns 1999

# Industry Classification System Changes

by  
Neal Gilbertsen  
Labor Economist

## SIC is dead! But NAICS isn't SIC at all!

**S**ince the 1930s, government statistical programs have published data based on the U.S. Standard Industrial Classification system (SIC). The Current Employment Statistics (CES) and Bureau of Labor Statistics (BLS) ES-202 data printed in *Alaska Economic Trends* are among the reports based on the SIC. This era is coming to an end, and a new industry classification system is at hand. In January 2003, the Alaska Department of Labor and Workforce Development (AKDOL) will complete its transition to the North American Industrial Classification System (NAICS). While this change may initially cause some problems for both the public and the department, NAICS is expected to provide a better analytic tool in the long run.

### How NAICS came to be

The SIC system developed in the 1930s paid particular attention to manufacturing industries, as was appropriate for the economy of the time. Non-farm employment was closely tied to the output of steel, automobile production, construction and the other heavy industries that represented America's economic base. But as we all know, many changes have taken place since the Great Depression. The service sector of the economy has grown and diversified in a way unimagined in those days. As some industries faded in importance other entirely new technologies developed and grew. A few obvious examples include economic activities based on the innovations of television, the Internet,

microchips, computer software, jet aircraft and cellular electronics.

SIC defined industries in accordance with the composition and structure of the economy and was periodically updated to incorporate the changing elements of that economy. The latest revision was in 1987, when a number of new industries such as videotape rental stores and plastic bottle manufacturing were added to the system. Still, the SIC system focused on goods-producing industries and provided insufficient detail for the now dominant services area. Newly developed industries such as information services, health care delivery and high-tech manufacturing could not be adequately studied under the SIC system because they were not separately identified at the industry level.

In recent years, rapid changes in both the U.S. and world economies brought SIC under increasing criticism. In 1992, the Office of Management and Budget (OMB) established the Economic Classification Policy Committee (ECPC), chaired by the Bureau of Economic Analysis, with representatives from the Bureau of the Census and the Bureau of Labor Statistics. OMB charged this committee with conducting a "fresh slate" examination of economic classifications and with determining the desirability of developing a new industry classification system for the United States based on a single economic concept.

In 1993, Mexico, Canada and the United States

signed The North American Free Trade Association (NAFTA) treaty. The ECPC, Statistics Canada, and the Instituto Nacional de Estadística, Geografía e Informática began a collaboration to develop an industrial classification system that would bring all three nations into conformance. The three countries established the following four principles for developing NAICS:

1. NAICS is based upon a production oriented conceptual framework. This means that producing units using identical or similar production processes are grouped together.
2. The system gives special attention to developing production oriented classifications for

(a) new and emerging industries, (b) service industries in general, and (c) industries engaged in the production of advanced technologies.

3. Time series continuity will be maintained to the extent possible. Adjustments may be required for sectors where Canada, the United States and Mexico have had incompatible industry classification definitions. The intent is to produce a common industry classification system for all three North American countries.

4. The system strives for compatibility with the 2-digit level of the International Standard Classification of All Economic Activities (ISIC, Rev. 3) of the United Nations.

## Implementation Timetable for NAICS At the Bureau of Labor Statistics (BLS)



	Conversion reference period	Publication date
<b>Office of Employment and Unemployment Statistics</b>		
Current Employment Statistics	May 2003	June 2003
Mass Layoff Statistics	January 2002	March 2002
Current Population Survey	January 2003	February 2003
Occupational Employment Statistics	Fourth quarter 2002	January 2004
Covered Employment and Wages	2001	Fall 2002
Job Openings and Labor Turnover Survey *	To be announced	To be announced
<b>Office of Employment Projections</b>	2004-2014	November 2005
<b>Office of Productivity and Technology</b>		
Productivity measures for selected industries.	2001	Fourth quarter 2003
Foreign Labor Statistics	2003	Late 2004
<b>Office of Compensation and Working Conditions</b>		
National Compensation Survey		
Employment Cost Index	March 2005	April 2005
Employer Costs for Employee Compensation	March 2005	June 2005
Locality wage levels	Spring 2005	Spring 2005
National and census division publications	2004	Spring 2005
Integrated benefit provision product	2004	Spring 2005
Occupational Safety and Health Statistics		
Survey of Occupational Injuries and Illnesses	2003	December 2004
Census of Fatal Occupational Injuries	2003	
<b>Office of Prices and Living Conditions</b>		
Producer Price Indexes	January 2004	December 2004

\* Job Openings and Labor Turnover Survey (JOLTS) is currently under development. First release of information in early 2002 will be SIC based.  
NOTE: This timetable is subject to change.

Source: James A. Walker and John B. Murphy, *Monthly Labor Review*, Dec. 2001

OMB announced the adoption of NAICS in 1997, and in 2001 revised NAICS to a format that would be phased in through 2002. The Bureau of Labor Statistics has begun converting its Covered Employment and Wages (CEW) program, and in the fall of 2002 will release employment, wages, and establishment count data for 2001 based on NAICS. While the total conversion of all programs will take more time, (see Exhibit 1) the BLS data most familiar to users (CES and ES202) will be published using the new system beginning in January 2003.

### The conversion of covered employment and wages

All U.S. businesses and government establishments whose employees are covered by unemployment insurance file quarterly unemployment tax reports. These reports provide the raw data used by both BLS and AKDOL. These data are used to produce

BLS estimates and counts of monthly and quarterly employment, as well as for other less familiar programs. State employment agencies such as AKDOL work cooperatively with BLS to conduct CEW programs.

This universe of employment and earnings may be likened to a loaf of bread. While SIC cut a few thick slices, NAICS cuts the same loaf into many thinner slices. SIC allowed users to determine if the slice was white, whole wheat, or rye, but NAICS provides a full list of the ingredients contained in each slice. In addition, some slices have been rearranged in the breadbasket.

### What is NAICS and how is it different?

Unlike SIC, which was based upon what was produced, NAICS is designed to focus on how products and services are created. This results in major differences in industry groupings. Because

## 2 The New NAICS and the Retiring SIC Comparison of structures

NAICS sector	NAICS titles	SIC division	SIC titles
11	Agriculture, Forestry, Hunting and Fishing	A	Agriculture, Forestry, Hunting and Fishing
21	Mining	B	Mining
22	Utilities	C	Construction
23	Construction	D	Manufacturing
31-33	Manufacturing	E	Transportation, Communications, Utilities
42	Wholesale Trade	F	Wholesale Trade
44-45	Retail Trade	G	Retail Trade
48-49	Transportation and Warehousing	H	Finance, Insurance and Real Estate
51	Information	I	Services
52	Finance and Insurance	J	Public Administration
53	Real Estate, Rental and Leasing	K	Nonclassifiable establishments
54	Professional, Scientific, and Technical Services		
55	Management of Companies and Enterprises		
56	Administrative Support; Waste Management and Remediation Services		
61	Educational Services		
62	Health Care and Social Assistance		
71	Arts, Entertainment and Recreation		
72	Accommodation and Food Services		
81	Other Services (except Public Administration)		
92	Public Administration		

Source: James A. Walker and John B. Murphy, *Monthly Labor Review*, Dec. 2001

NAICS is not an update of SIC, but a completely new system, it establishes new categories that better reflect the structure of the modern economy. Unfortunately, this creates some problems in reconstructing time series data, since many industries will be grouped in different or entirely new categories.

Like SIC, NAICS categorizes employment into one of two domains, *goods-producing* or *service-providing*. NAICS divides these domains into 12 supersectors, which are then broken into 20 industry sectors, (designated by two digits), compared with the eleven alphabetically designated divisions of SIC. (See Exhibit 2). Some of the supersectors such as *manufacturing*, *construction* and *public administration* are similar to the SIC industry divisions, but while some titles remain the same, different industries are grouped in these categories. Many sectors are entirely new and are composed primarily of industries drawn from the old SIC *Services* division. By increasing the number of sectors, NAICS allows for greater precision in data assignment and analyses.

NAICS industries are designated by a six-digit code. The first two digits indicate the *sector*, the third establishes the *subsector*, the fourth maps to the *industry group* and the fifth indicates the *industry*. The international NAICS agreement fixes the first five digits. The last digit, when used, is designed to accommodate different user needs in each country. This means that Canadian, American and Mexican industries are standardized at the five-digit level, but may differ from counterparts at the sixth-digit level. *Domains* and *supersectors* can be used when sufficient data do not exist to publish at the sector level.

## What does this mean for Alaska?

The transition from SIC to NAICS will involve some dramatic changes, and will require a period of adjustment for both users and the department. Those accustomed to SIC divisions will suffer more confusion than novices whose perceptions remain unaffected by the discontinued system. Consider the following example:

Within the NAICS *goods-producing* domain, *Natural Resources and Mining* is the only new supersector. This includes the two sectors of *Mining* and *Agriculture, Forestry, Hunting and Fishing*. Logging has been moved from the old SIC industry of *Manufacturing* to the new NAICS sector of *Agriculture, Forestry, Hunting and Fishing*. Loggers, miners and oil field workers will now be broadly grouped as employment based on natural resource extraction. *Publishing* has also been removed from *Manufacturing*, and will be counted in the *service-providing* domain as part of the new *Information* supersector. Since both publishing and logging were major contributors to Alaska's SIC *Manufacturing* division, employment in the new NAICS supersector of *Manufacturing* will be considerably reduced. Of the three major industries that dominated this category, only *seafood processing* will remain in the NAICS grouping.

In an attempt to minimize the complexity of translating the now obsolete SIC divisions into the new NAICS sectors, a brief summary is presented below. While not inclusive, this outline presents an overview of some of the major changes. Exhibit 3 will be helpful in understanding this summary.

## Summary of important changes by supersector

### 1. Natural Resources and Mining

NAICS adds a new supersector to the goods-producing domain. As shown above, this supersector is labeled *Natural Resources and Mining*. It includes two sectors, *Agriculture, Forestry, Hunting, and Fishing*, and *Mining*. The former includes the industry of logging, which was transferred from the old SIC division of *Manufacturing* and such things as shellfish farming. Mining includes the traditional industries of mining and oil production.

### 2. Manufacturing

The rearrangement noted above will also affect the *Manufacturing* supersector. As mentioned, it

will no longer include logging. In addition, Publishing will move to the new supersector of *Information*, and be counted in the *Service-Providing* domain. While a few additional industries, such as bakeries that bake on premises, will be added to *Manufacturing*, the net result of the transfers will show far fewer workers in this category than in the old SIC division of *Manufacturing*.

### 3. Trade, Transportation, and Utilities

The most important change in this supersector involves NAICS' redefinition of the sectors of *Retail Trade* and *Wholesale Trade*.

The 1987 SIC defined retailers as establishments that sold primarily to consumers while wholesalers sold primarily to business customers. NAICS redefines the boundaries between *Retail* and *Wholesale Trade* and makes distinctions based upon what the establishment does rather than to whom it sells.

NAICS envisions retailers as selling untransformed merchandise and as having a selling place open to the public, merchandise on display or available through sales clerks, facilities for making cash or credit card transactions, and services provided to retail customers. Wholesale establishments, by contrast, are defined as primarily involved with the sale of goods for resale, capital or durable nonconsumer goods, and or raw materials for use in production. Wholesalers are further characterized as having little or no display of merchandise and as occupying premises not intended to attract the general public.

These altered definitions are expected to result in many more businesses being transferred to the retail sector. On the national level, 7 percent of computer wholesalers, 22 percent of office supply wholesalers, 35 percent of farm supply wholesalers and 57 percent of petroleum bulk stations are anticipated to move to retail.

Another major change to *Retail Trade* will result from the transfer of restaurants to a new NAICS sector called *Accommodations and food services* in the new supersector of *Leisure and Hospitality*.

On the national level, restaurants accounted for approximately 10 percent of retail trade as defined by the 1987 SIC.

### 4. Information

Included in this new category are 34 industries, 20 of which are entirely new. Establishments that create and distribute information or provide data processing services are represented in this sector. *Information* contains traditional industries such as newspaper, book and periodical publishers that were once counted in the SIC manufacturing division, as well as some industries such as broadcasting and telecommunications that were included in SIC's *Utilities* and *Transportation*. In addition, entirely new industries such as paging, satellite and cellular telecommunications have been added.

### 5. Financial Activities

This supersector includes two new sectors, *Finance and Insurance* and *Real Estate and Rental and Leasing*. The old SIC division of *Finance, Insurance and Real Estate* has been divided into two distinct NAICS sectors. In addition, some rental and leasing industries have been transferred from *Services, Transportation and Communications* to this more appropriate sector.

### 6. Professional and Business Services

This supersector contains three new sectors; *Professional, Scientific and Technical Services, Administrative and Support; Waste Management and Remediation Services*, and *Management of Companies and Enterprises*. The first includes those businesses whose major input is human capital as defined by expertise. Enterprises such as legal firms, engineering services, or veterinary services are included. The second includes industries that have been drawn from many of the old SIC divisions, whose establishments provide routine support for other organizations. Office administration, security services and waste disposal are a few examples. The sector of *Management of Companies and Enterprises*, seems self-explanatory, but is unique in its approach. Employment at head offices, subsidiary management offices or

# NAICS Aggregations In descending order 3

DOMAIN	SUPERSECTOR	SECTOR	INDUSTRY (selected examples)
Goods-Producing	Natural Resources & Mining	Agriculture, Forestry Hunting and Fishing	Logging Shellfish Farming
		Mining	Oil Field Services Coal Mining Metalic Ore Extraction
	Construction	Construction	Residential Building Construction Specialty Trade Contractors Highway, Street and Bridge Constr.
	Manufacturing	Manufacturing (durable goods)	Sawmills and Wood Preservation Fabricated Metal Manufacturing Ship and Boat Building
		(non-durable goods)	Seafood Product Preparation Bakeries Petroleum and Coal Products
	Service-Providing	Trade Transport & Utilities	Utilities
Transportation & Warehousing			Air Transportation Water Transportation
Retail Trade			General Freight & Trucking Office Supplies and Stationary Automobile Dealers General Merchandise
Wholesale Trade			Merchant Wholesalers
Leisure & Hospitality		Accommodation & Food Services	Hotels Full Service Restaurants
		Arts, Entertainment & Recreation	Amusement, Gambling and Recreation Performing Arts Companies
Financial Activities		Finance & Insurance	Insurance Carriers Deposit Credit Intermediation (banks)
		Real Estate & Rental & Leasing	Real Estate Rental and Leasing Services
Information		Information	Telecommunications Radio and Television Broadcasting
Professional & Business Services		Professional, Scientific & Technical Services	Advertising and Related Services Scientific Research and Development
		Administrative Support; Waste Management & Remediation Services	Facilities Support Services Waste Treatment and Disposal Adminstrative and Support Services
		Management of Companies and Enterprises	Management of Companies Offices of Bank Holding Companies
Educational and Health Services		Educational Services	Technical and Trade Schools
		Health Care & Social Assistance	General Medical Hospitals Nursing Care Facilities
Other Services		Other Services	General Automotive Repair
Public Administration		Public Administration	American Indian and Alaska Native Tribal Police Protection
Unclassified		Unclassified	Unclassified

*Based on David R.H. Hiles, Monthly Labor Review, Dec. 2001. Developed by Alaska Department of Labor and Workforce Development, Research and Analysis Section*

regional offices whose primary purpose is administering or overseeing other establishments of the enterprise will not be included in the sector of the enterprise itself, but rather will be counted as part of the new *Management* sector.

## 7. Educational and Health Services

The new NAICS supersector of *Educational and Health Services*, contains the two new sectors of *Educational services* and *Health care and social assistance*. The latter grouping is based on the fact that the distinction between social assistance and health care is often blurred. There are 39 industries included, 27 of which are entirely new. Some examples are Care Retirement Communities, Family Planning Centers and HMO medical centers.

## 8. Leisure and Hospitality

Of considerable interest to Alaska, with tourism's growing importance, is the new NAICS supersector of *Leisure and Hospitality*. This super-sector contains the two sectors of *Accommodation and Food Services* and *Arts, Entertainment, and Recreation*. The former is largely made up of lodging, (transferred from SIC *Services*) and food services, (transferred from *Retail Trade*). *Arts, Entertainment and Recreation* includes 25 industries, 19 of which are new. Such diverse things as bowling centers, skiing facilities, performing arts and historical sites are included in this grouping. These new sectors are expected to allow AKDOL to better monitor elements of what is commonly referred to as "the tourist industry."

### NAICS allows better analysis

While the transition to NAICS will involve some difficulties, the new system will allow for far more detailed analyses. For example, under the old SIC, *eating and drinking establishments* were considered as a single industry. NAICS differentiates between full service (pay after eating) and

fast food (pay before eating) restaurants. Because SIC did not differentiate between these types of eating establishments, the effects of economic upswings or downturns on customer behavior were difficult to estimate.

Logic would seem to indicate that periods of high employment should correlate with increased spending at full service restaurants while economic downturns will lead to fewer customers. In times of economic stress, budget conscious consumers can be expected to alter their behavior by eating out less often. But it also seems possible that time-pressed consumers might simply eat at less expensive places. If this is the case, then economic downturns may actually lead to increased business at lower priced fast food outlets. NAICS, by differentiating between these types of eating establishments, allows for such analysis. The implications for business planning are obvious.

Because NAICS is an entirely new classification system, time series data will be interrupted. Such things as the NAICS *manufacturing* sector which excludes publishing and logging employment, cannot be directly compared with the SIC division of *Manufacturing* which included those industries. BLS is attempting to reconstruct a time series for industries and sectors based on the NAICS system, but has cautioned that some NAICS changes are so significant that reconstruction will be difficult or even impossible.

### Conclusion

As with any new product, a period of adjustment will be required. Initial problems may be irritating, but as users gain familiarity, the advantages of NAICS will become clear. Not only does NAICS provide a better and more detailed picture of the modern American economy, it captures new and emerging technologies and provides a uniform and comparable system. As Alaska enters the 21<sup>st</sup> century, the NAICS system will provide a statistical tool attuned to the new era, and will allow not only national, but international comparability.

## Growth Continues in April

Employment 0.9% higher than a year ago

**A**pril employment estimates indicate that Alaska continues to add jobs to the economy. The over-the-year gain of 2,400 jobs is an increase of 0.9%.

### Construction expects another good year

April's employment estimates for construction, which show an over-the-year loss of 100 jobs, mask the industry's health. The completion of construction work on North Slope oil field projects accounts for a 500-job decrease in the Northern Region, which in turn has deflated statewide construction numbers. Still, there are reasons for optimism since a significant number of large construction projects are either under way or expected to begin within the next few months in the state's two biggest cities. April estimates show Anchorage construction employment up by 100 jobs and Fairbanks up by 150 jobs. The outlook for Fairbanks is particularly strong due to a variety of projects at both Fort Wainwright and Eielson Air Force Base, and to the construction of a missile test facility at Fort Greely.

### Oil and gas down as expected

As industry watchers have known for several months now, oil patch employment in 2002 is unlikely to match the growth of recent years. Part of the reason for the over-the-year decrease of 1,300 jobs is the completion in 2001 of the Alpine and Northstar projects. Workforce reductions and lower budgets for both exploration and capital

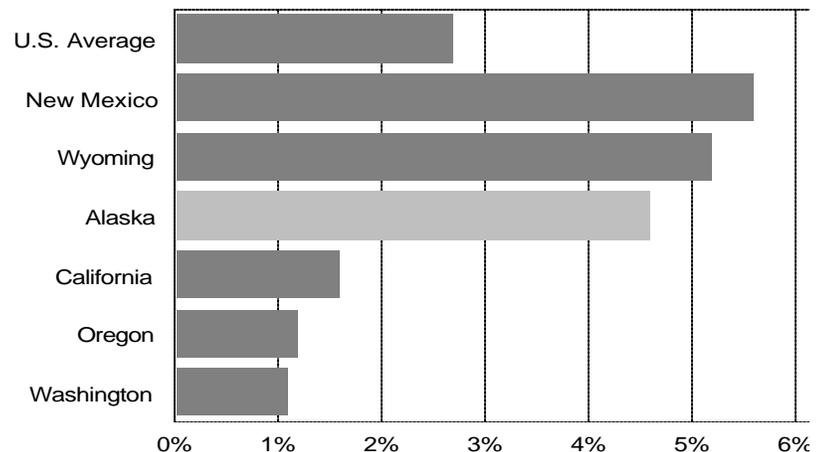
expenditures will also keep oil numbers down for the short term at least.

### Government adding jobs

The sector of the economy that has shown the most growth so far in 2002 is government. State government has added 1,200 jobs since April 2001 and local government has added another 1,100. Federal government employment has declined slightly, following the pattern of the past several years.

Most of the growth in local government is in education. Temporary election workers, employed only for part of April, also inflated over-the-year

### Per Capita Income Percent Change — 2000-2001



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 2 Nonagricultural Wage and Salary Employment

## By place of work

Alaska	preliminary	revised	Changes from:		
	4/02	3/02	4/01	3/02	4/01
<b>Total Nonag. Wage &amp; Salary</b>	283,900	280,600	281,500	3,300	2,400
Goods-producing	34,800	35,600	36,700	-800	-1,900
Service-producing	249,100	245,000	244,800	4,100	4,300
<b>Mining</b>	10,200	10,200	11,500	0	-1,300
Oil & Gas Extraction	8,800	8,800	10,100	0	-1,300
<b>Construction</b>	13,100	12,000	13,200	1,100	-100
<b>Manufacturing</b>	11,500	13,400	12,000	-1,900	-500
Durable Goods	2,200	1,900	2,700	300	-500
Lumber & Wood Products	800	700	1,400	100	-600
Nondurable Goods	9,300	11,500	9,300	-2,200	0
Seafood Processing	6,400	8,700	6,500	-2,300	-100
<b>Transportation/Comm/Utilities</b>	26,800	26,300	26,900	500	-100
Trucking & Warehousing	3,000	2,900	3,000	100	0
Water Transportation	1,800	1,700	1,800	100	0
Air Transportation	9,500	9,200	9,700	300	-200
Communications	5,400	5,600	5,400	-200	0
Electric, Gas & Sanitary Svcs.	2,800	2,600	2,700	200	100
<b>Trade</b>	56,300	54,800	55,600	1,500	700
Wholesale Trade	8,000	7,800	8,100	200	-100
Retail Trade	48,300	47,000	47,500	1,300	800
Gen. Merchandise & Apparel	9,900	9,700	9,400	200	500
Food Stores	6,200	6,200	6,300	0	-100
Eating & Drinking Places	16,800	16,100	16,600	700	200
<b>Finance/Insurance/Real Estate</b>	12,600	12,500	12,500	100	100
<b>Services &amp; Misc.</b>	71,500	70,300	70,100	1,200	1,400
Hotels & Lodging Places	6,000	5,700	6,100	300	-100
Business Services	8,300	8,200	8,600	100	-300
Health Services	18,400	18,200	17,700	200	700
Legal Services	1,600	1,600	1,600	0	0
Social Services	9,200	9,000	8,600	200	600
Engineering/Account'g/Research	8,100	7,900	8,000	200	100
<b>Government</b>	81,900	81,100	79,700	800	2,200
Federal	16,300	16,300	16,400	0	-100
State	24,500	24,200	23,300	300	1,200
Local	41,100	40,600	40,000	500	1,100
Tribal	3,000	3,000	2,900	0	100

Municipality of Anchorage	preliminary	revised	Changes from:		
	4/02	3/02	4/01	3/02	4/01
<b>Total Nonag. Wage &amp; Salary</b>	138,000	135,500	136,500	2,500	1,500
Goods-producing	11,900	11,100	12,700	800	-800
Service-producing	126,100	124,400	123,900	1,700	2,200
<b>Mining</b>	2,700	2,700	3,600	0	-900
Oil & Gas Extraction	2,600	2,600	3,500	0	-900
<b>Construction</b>	7,000	6,200	6,900	800	100
<b>Manufacturing</b>	2,200	2,200	2,200	0	0
<b>Transportation/Comm/Utilities</b>	15,000	14,900	14,900	100	100
Air Transportation	6,000	6,000	6,200	0	-200
Communications	3,500	3,600	3,600	-100	-100
<b>Trade</b>	32,200	31,500	31,400	700	800
Wholesale Trade	6,200	6,000	6,200	200	0
Retail Trade	26,000	25,500	25,200	500	800
Gen. Merchandise & Apparel	5,200	5,200	4,800	0	400
Food Stores	2,400	2,400	2,400	0	0
Eating & Drinking Places	9,700	9,400	9,600	300	100
<b>Finance/Insurance/Real Estate</b>	7,700	7,600	7,800	100	-100
<b>Services &amp; Misc.</b>	40,600	40,200	39,600	400	1,000
Hotels & Lodging Places	2,900	2,900	3,100	0	-200
Business Services	6,100	6,000	6,300	100	-200
Health Services	10,100	10,100	9,600	0	500
Legal Services	1,200	1,200	1,200	0	0
Social Services	4,400	4,300	4,300	100	100
Engineering/Account'g/Research	6,100	5,900	5,800	200	300
<b>Government</b>	30,600	30,200	30,200	400	400
Federal	9,500	9,600	9,600	-100	-100
State	9,800	9,700	9,200	100	600
Local	11,300	10,900	11,400	400	-100
Tribal	200	200	200	0	0

Notes to Exhibits 2, 3, & 4—Nonagricultural excludes self-employed workers, fishers, domestics, and unpaid family workers as well as agricultural workers. Government category includes employees of public school systems and the University of Alaska.

Exhibits 2 & 3—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Exhibit 4—Prepared in part with funding from the Employment Security Division.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 3 Hours and Earnings

## For selected industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	preliminary 4/02	revised 3/02	revised 4/01	preliminary 4/02	revised 3/02	revised 4/01	preliminary 4/02	revised 3/02	revised 4/01
Mining	\$1,319.12	\$1,270.80	\$1,462.52	44.4	43.7	48.3	\$29.71	\$29.08	\$30.28
Construction	1114.25	1142.59	1078.43	40.8	42.1	40.3	27.31	27.14	26.76
Manufacturing	531.02	536.19	500.54	31.2	36.6	35.6	17.02	14.65	14.06
Seafood Processing	312.7	387.44	313.57	24.7	34.5	32.8	12.66	11.23	9.56
Transportation/Comm/Utilities	715.97	721.56	707.95	33.9	34.1	34.4	21.12	21.16	20.58
Trade	501.76	513.86	489.29	34.7	35.1	34.8	14.46	14.64	14.06
Wholesale Trade	709.47	667.00	672.93	38.6	37.2	38.3	18.38	17.93	17.57
Retail Trade	469.56	489.27	460.65	34.1	34.7	34.3	13.77	14.10	13.43
Finance/Insurance/Real Estate	679.71	646.19	643.33	35.2	36.1	35.8	19.31	17.90	17.97

Average hours and earnings estimates are based on data for full-time and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing). Averages are for gross earnings and hours paid, including overtime pay and hours.

Benchmark: March 2001

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 4 Nonagricultural Wage and Salary Employment

## By place of work

Fairbanks North Star Borough	preliminary		revised		Changes from:	
	4/02	3/02	4/01	3/02	4/01	
<b>Total Nonag. Wage &amp; Salary</b>	34,400	33,750	33,900	650	500	
Goods-producing	3,050	2,800	3,000	250	50	
Service-producing	31,350	30,950	30,900	400	450	
<b>Mining</b>	800	750	900	50	-100	
<b>Construction</b>	1,700	1,500	1,550	200	150	
<b>Manufacturing</b>	550	550	550	0	0	
<b>Transportation/Comm/Utilities</b>	3,000	2,950	3,100	50	-100	
Trucking & Warehousing	650	550	600	100	50	
Air Transportation	1,000	950	1,050	50	-50	
Communications	350	400	350	-50	0	
<b>Trade</b>	6,750	6,550	6,600	200	150	
Wholesale Trade	650	650	700	0	-50	
Retail Trade	6,100	5,900	5,900	200	200	
Gen. Merchandise & Apparel	1,100	1,050	1,100	50	0	
Food Stores	600	600	600	0	0	
Eating & Drinking Places	2,350	2,250	2,250	100	100	
<b>Finance/Insurance/Real Estate</b>	1,200	1,200	1,150	0	50	
<b>Services &amp; Misc.</b>	8,550	8,500	8,450	50	100	
Hotels & Lodging Places	700	700	650	0	50	
Health Services	2,150	2,150	2,100	0	50	
<b>Government</b>	11,850	11,750	11,600	100	250	
Federal	3,350	3,350	3,300	0	50	
State	5,150	5,150	4,950	0	200	
Local	3,350	3,250	3,350	100	0	
Tribal (no data)	-	-	-	-	-	

### Southeast Region

<b>Total Nonag. Wage &amp; Salary</b>	34,250	33,400	34,600	850	-350
Goods-producing	3,950	3,600	4,300	350	-350
Service-producing	30,300	29,800	30,300	500	0
<b>Mining</b>	300	300	300	0	0
<b>Construction</b>	1,500	1,350	1,500	150	0
<b>Manufacturing</b>	2,150	1,950	2,500	200	-350
Durable Goods	900	850	1,350	50	-450
Lumber & Wood Products	600	550	950	50	-350
Nondurable Goods	1,250	1,100	1,150	150	100
Seafood Processing	950	800	850	150	100
<b>Transportation/Comm/Utilities</b>	2,450	2,300	2,450	150	0
<b>Trade</b>	5,650	5,600	5,900	50	-250
Wholesale Trade	550	550	550	0	0
Retail Trade	5,100	5,050	5,350	50	-250
Food Stores	1,200	1,250	1,250	-50	-50
<b>Finance/Insurance/Real Estate</b>	1,300	1,300	1,250	0	50
<b>Services &amp; Misc.</b>	7,150	7,050	7,350	100	-200
Health Services	1,750	1,750	1,750	0	0
<b>Government</b>	13,750	13,550	13,350	200	400
Federal	1,700	1,650	1,650	50	50
State	5,800	5,700	5,600	100	200
Local	6,250	6,200	6,100	50	150
Tribal	550	500	500	50	0

### Northern Region

<b>Total Nonag. Wage &amp; Salary</b>	15,750	15,750	16,550	0	-800
Goods-producing	5,500	5,550	6,400	-50	-900
Service-producing	10,250	10,200	10,150	50	100
<b>Mining</b>	5,000	5,050	5,500	-50	-500
Oil & Gas Extraction	4,550	4,600	5,050	-50	-500
<b>Government</b>	5,000	5,050	4,800	-50	200
Federal	150	150	150	0	0
State	300	350	300	-50	0
Local	4,550	4,550	4,350	0	200
Tribal	400	400	300	0	100

Interior Region	preliminary		revised		Changes from:	
	4/02	3/02	4/01	3/02	4/01	
<b>Total Nonag. Wage &amp; Salary</b>	39,150	38,150	38,800	1,000	350	
Goods-producing	3,200	3,000	3,250	200	-50	
Service-producing	35,950	35,150	35,550	800	400	
<b>Mining</b>	900	900	1,050	0	-150	
<b>Construction</b>	1,750	1,550	1,600	200	150	
<b>Manufacturing</b>	550	550	600	0	-50	
<b>Transportation/Comm/Utilities</b>	3,800	3,600	3,900	200	-100	
<b>Trade</b>	7,350	7,100	7,150	250	200	
<b>Finance/Insurance/Real Estate</b>	1,250	1,250	1,250	0	0	
<b>Services &amp; Misc.</b>	9,250	8,950	9,100	300	150	
Hotels & Lodging Places	900	850	850	50	50	
<b>Government</b>	14,300	14,250	14,150	50	150	
Federal	3,700	3,700	3,800	0	-100	
State	5,400	5,350	5,200	50	200	
Local	5,200	5,200	5,150	0	50	
Tribal	300	300	200	0	100	

### Anchorage/Mat-Su Region

<b>Total Nonag. Wage &amp; Salary</b>	151,450	148,600	148,700	2,850	2,750
Goods-producing	13,250	12,400	13,750	850	-500
Service-producing	138,200	136,200	134,950	2,000	3,250
<b>Mining</b>	2,700	2,700	3,350	0	-650
<b>Construction</b>	8,200	7,400	8,050	800	150
<b>Manufacturing</b>	2,350	2,300	2,350	50	0
<b>Transportation/Comm/Utilities</b>	16,000	15,850	15,850	150	150
<b>Trade</b>	35,700	34,950	34,800	750	900
<b>Finance/Insurance/Real Estate</b>	8,150	8,050	8,200	100	-50
<b>Services &amp; Misc.</b>	44,050	43,600	42,950	450	1,100
<b>Government</b>	34,300	33,750	33,150	550	1,150
Federal	9,700	9,700	9,700	0	0
State	10,700	10,650	10,100	50	600
Local	13,900	13,400	13,350	500	550
Tribal	250	250	300	0	-50

### Southwest Region

<b>Total Nonag. Wage &amp; Salary</b>	16,650	18,850	16,800	-2,200	-150
Goods-producing	3,400	5,700	3,600	-2,300	-200
Service-producing	13,250	13,150	13,200	100	50
Seafood Processing	3,250	5,600	3,500	-2,350	-250
<b>Government</b>	7,100	7,150	6,900	-50	200
Federal	350	350	300	0	50
State	500	550	500	-50	0
Local	6,250	6,250	6,100	0	150
Tribal	1,300	1,300	1,200	0	100

### Gulf Coast Region

<b>Total Nonag. Wage &amp; Salary</b>	26,400	25,850	26,250	550	150
Goods-producing	5,400	5,350	5,400	50	0
Service-producing	21,000	20,500	20,850	500	150
<b>Mining</b>	1,250	1,250	1,300	0	-50
Oil & Gas Extraction	1,250	1,250	1,300	0	-50
<b>Construction</b>	1,150	1,100	1,150	50	0
<b>Manufacturing</b>	3,000	3,000	2,950	0	50
Seafood Processing	2,150	2,150	2,000	0	150
<b>Transportation/Comm/Utilities</b>	2,350	2,300	2,350	50	0
<b>Trade</b>	4,950	4,750	4,950	200	0
Wholesale Trade	350	350	350	0	0
Retail Trade	4,600	4,400	4,600	200	0
Eating & Drinking Places	1,550	1,400	1,550	150	0
<b>Finance/Insurance/Real Estate</b>	700	700	700	0	0
<b>Services &amp; Misc.</b>	5,600	5,400	5,600	200	0
Health Services	1,250	1,250	1,250	0	0
<b>Government</b>	7,400	7,350	7,250	50	150
Federal	700	700	700	0	0
State	1,700	1,700	1,600	0	100
Local	5,000	4,950	4,950	50	50
Tribal	300	250	300	50	0

# 5 Unemployment Rates

## By region and census area

Not Seasonally Adjusted	preliminary	revised	04/01
	04/02	03/02	
<b>United States</b>	<b>5.7</b>	<b>6.1</b>	<b>4.2</b>
<b>Alaska Statewide</b>	<b>6.7</b>	<b>7.2</b>	<b>6.4</b>
<b>Anchorage/Mat-Su Region</b>	<b>5.2</b>	<b>5.5</b>	<b>4.8</b>
Municipality of Anchorage	4.6	4.9	4.2
Mat-Su Borough	8.0	8.6	7.9
<b>Gulf Coast Region</b>	<b>9.9</b>	<b>10.9</b>	<b>10.0</b>
Kenai Peninsula Borough	10.7	12.2	10.6
Kodiak Island Borough	7.0	6.2	6.7
Valdez-Cordova	10.5	11.3	11.9
<b>Interior Region</b>	<b>6.8</b>	<b>7.4</b>	<b>6.7</b>
Denali Borough	8.5	11.9	10.0
Fairbanks North Star Borough	5.9	6.3	6.0
Southeast Fairbanks	12.2	13.8	11.0
Yukon-Koyukuk	17.1	18.5	15.5
<b>Northern Region</b>	<b>11.9</b>	<b>12.1</b>	<b>10.9</b>
Nome	12.2	12.3	11.2
North Slope Borough	8.7	9.1	8.1
Northwest Arctic Borough	16.2	16.4	14.8
<b>Southeast Region</b>	<b>7.6</b>	<b>9.1</b>	<b>7.0</b>
Haines Borough	11.9	15.1	13.3
Juneau Borough	4.9	5.6	4.8
Ketchikan Gateway Borough	9.6	10.9	7.8
Prince of Wales-Outer Ketchikan	12.2	15.2	14.1
Sitka Borough	5.7	7.0	4.0
Skagway-Hoonah-Angoon	11.3	14.8	10.3
Wrangell-Petersburg	9.8	11.5	8.4
Yakutat Borough	11.2	19.1	12.7
<b>Southwest Region</b>	<b>11.6</b>	<b>10.3</b>	<b>11.3</b>
Aleutians East Borough	3.5	3.0	5.0
Aleutians West	9.3	6.1	8.7
Bethel	11.3	10.4	11.2
Bristol Bay Borough	12.8	13.6	9.0
Dillingham	11.0	10.1	9.8
Lake & Peninsula Borough	11.4	12.3	12.0
Wade Hampton	20.3	17.5	19.6
<b>Seasonally Adjusted</b>			
United States	6.0	5.7	4.5
Alaska Statewide	6.6	6.3	6.3

### 2001 Benchmark

Comparisons between different time periods are not as meaningful as other time series produced by Research and Analysis. The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaska, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. They are considered not in the labor force.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

growth of local government. On the state side, a sizeable number of education-related jobs have been added since April 2001, but growth in the non-education category is higher. Preliminary analysis indicates that the state government growth is not limited to just a few departments or cities, but is distributed widely, both among departments and geographic regions.

## Anchorage and Fairbanks up slightly, Southeast down

April estimates indicate that both Anchorage and Fairbanks have added a modest number of jobs over the year. Most of Anchorage's approximately 1,500 new jobs are in retail trade, services, and state government. Oil and gas employment in Anchorage is down 900 over the year and there are also 200 fewer jobs in air transportation. Fairbanks has seen growth in a variety of industries, countered by slight declines in mining and transportation.

In Southeast Alaska, the declining timber industry continues to depress overall employment numbers. Retail trade and services were also down slightly compared to April 2001 numbers. Approximately 400 government jobs have been added to the Southeast Region's economy in the last twelve months.

## Per capita income grew faster than national average

From 2000 to 2001, Alaska's per capita income grew 4.6%, the fourth highest growth rate in the nation. (See Exhibit 1.) The nation's per capita income grew at just 2.7% in a year marked by recession and economic uncertainty. New Mexico's per capita income grew faster than any other state at 5.6%, though its income level remains among the lowest in the United States.

**At \$30,997, Alaska's per capita income ranks 14** in the nation at the end of 2001. The states with the six highest per capita incomes are all in New England and the eastern seaboard. In order, they are: Connecticut, Massachusetts, New Jersey, New York, Maryland, and New Hampshire.

Other states in the Far West Region had particularly rough years, judging by per capita income growth figures which hovered just above one percent. Alaska's economy marched to a different drummer than its neighbors in the Far West Region, (Hawaii, California, Nevada, Oregon, and Washington) which ranked last among the eight national regions in income growth.

One obvious reason for Alaska's relatively strong numbers is the national recession of 2001. In that respect, Alaska didn't so much take a strong step forward as it maintained its slow, steady growth while other states struggled not to lose ground. Still, 2001 was marked by healthy growth in some of Alaska's higher paying industries, oil and gas in particular, which also helps explain the state's favorable ranking.

# Employer Resources

Is it time to start looking for some extra help for the summer? Need a generic application for your applicants to fill out? Here is one on line that you can print. Click on <http://www.jobs.state.ak.us/>, then on the bar called **Employer Connection**, and click on "GO." Select Employment Application from the gray shaded area.

The screenshot shows the website [www.jobs.state.ak.us](http://www.jobs.state.ak.us). At the top, there is a navigation bar with several dropdown menus: "Employer Connection" (highlighted with a gray bar and a large arrow pointing to it), "Job Seeker Resources", "Training and Assistance", "Job Market Information", and "AJCN Partner Resources". Below the navigation bar, there are several sections: "Job Order Options" (with links for Online Job Order, Email Job Order Form, Job Order by Fax/Log, and Contact an Alaska Job Center), "Seafood Industry Employers" (with links for Seafood Jobs and Seafood Job Order Form), and "Alaska Employer Handbook" (with links for Business Services, DDL Links for Employers, Employee Bonding, Employment Application (pdf), and Employment Related Posters). On the right side, there is a section for "Welfare-to-Work" with a link to "Employment Application". Below this, there is a large form titled "Employment Application" with fields for company name, applicant name, address, education, military service, and references. A large arrow points from the "Employment Application" link in the Employer Handbook section to the form.